



JERE HANSEN CPA

109 W. Second St.  
Casa Grande, AZ 85122  
520 836-1005 Fax 520 836-5503

ORIGINAL

July 14, 2010

Dorothy Hains  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Re: Casa Grande West Water  
Third Set of Data Requests and additional information

Dear Ms. Hains,

In response to Third Set of Data Requests:

3.1 There are three lots including the East well site there has been out of service since original purchase. We valued each lot at \$1000.00. See revised page 14 of application transmitted herewith. In conjunction with that I reallocated costs based on estimated costs for the other items detailed in the sale documents that were previously supplied. Please let me know if I need to recalculate depreciation.

3.2 We valued each well #2 at \$2500.

3.3 The truck that was referred to is owned by the Estate of James Little. The company occasionally uses it but does not own it.

3.4 There were two computers in the office when you visited. The lap top computer is Robert Gordon's personal computer. The other computer was one that James Little had and was purchased by him personally. As far as the telephone is concerned I do not know when that was purchased or for how much. It is a single line phone so probably cost about \$50.00.

3.5 Please see change order no. 1 that shows a 100,000 gallon water tank.


3.6 The engineer is getting me the data for this and as soon as I receive it from him I will forward it to you. The new water and pressure tank will be placed west of the existing south well facilities. The old pressure tank will be taken out of service.

Thank you.

  
Jere Hansen CPA

Arizona Corporation Commission  
**DOCKETED**

JUL 20 2010

DOCKETED BY	
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AZ CORP COMMISSION  
DOCKET CONTROL

2010 JUL 20 A 8:04

RECEIVED

-09-  
W-01990A # 0573  
W-01990A # 0572  
-09-

**Table 3 : Estimated Construction Costs for CGWC ATF**

<b>Capital Costs Summary</b>	<b>150 GPM SYSTEM</b>
<b>Adsorption System</b>	
Contractors Cost + Media	\$40,000
Piping (including manifold piping, control valves, flow meters, backflow preventor, & chemical injection nozzles)	\$20,000
Arsenic System Installation Costs	\$15,000
Prefilter	\$5,000
Foundation	\$5,000
Residuals Handling Costs (Backwash Equalization Tank)	\$5,000
Backwash Decant Valves and Pipe	\$5,000
Yard Piping and Valves Allowance	\$5,000
Electrical and Instrumentation & Controls	\$20,000
Site Civil	\$2,500
<b>TOTAL ARSENIC FACILITIES COSTS</b>	<b>\$122,500</b>
CONTINGENCIES (10%)	\$12,250
<b>TOTAL ESTIMATED COSTS W/O TAXES</b>	<b>\$134,750</b>
Taxes (6%)	\$8,085
<b>TOTAL ESTIMATED COSTS W/ TAXES</b>	<b>\$142,835</b>
Engineering Design Fee, construction admin support, startup, and permitting	\$35,000
<b>TOTAL BUDGET</b>	<b>177,835</b>

**Table 4 : Annual Operation and Maintenance Costs**

<b>Parameter</b>	<b>Costs</b>
Sludge Disposal Costs	\$2,000
Media Costs	\$7,500
Media Installation Costs	\$7,500
Miscellaneous Costs	\$3,000
<b>Annual O&amp;M Costs</b>	<b>\$20,000</b>

Change Order #1 Request  
 March 4, 2010  
 Page 6

**Table CO2 : Estimated Construction Costs for Casa Grande West Storage Tank and Booster Station**

<b>Capital Costs Summary</b>	<b>150 GPM SYSTEM</b>
Storage Tank and Piping Improvements	
100,000 gallon storage tank including piping tie ins	\$100,000
150 gpm pump station including electrical	\$30,000
Pressure Tank including installation	\$5,000
Site Civil	\$5,000
<b>TOTAL ARSENIC FACILITIES COSTS</b>	<b>\$140,000</b>
CONTINGENCIES (10%)	\$14,000
TOTAL ESTIMATED COSTS W/O TAXES	\$154,000
Taxes (6%)	\$9,240
<b>TOTAL ESTIMATED COSTS W/ TAXES</b>	<b>\$163,240</b>
Engineering Design Fee, construction admin support, startup, and permitting	\$28,000
<b>TOTAL BUDGET</b>	<b>191,240</b>

Revised 7-14-10

COMPANY NAME: CASA GRANDE WEST WATER COMPANY	Test Year Ended: 6-30-09
Name of System: CASA GRANDE WEST ADEQ Public Water System	System Number: W-019910A

**WATER COMPANY PLANT DESCRIPTION****WELLS**both  
auth

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-625197	15	60		3	3	
55-625198	40	120		16	4	

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10	2	<del>0</del>	<del>0</del>

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10000	2	25000	1
7000	1		

## NARRATIVE DESCRIPTION OF APPLICATION FOR RATE ADJUSTMENT

REJURE 7-15-10

Instructions:

Please provide the reasons for your requested rate adjustment by checking the appropriate box(es) below. If desired, the Company may also attach a written narrative regarding its reasons for the requested rate adjustment. Your narrative may also include efforts made by the utility to control costs/expenses and/or mitigate the amount of rate adjustment.



Changes in current, compared to past operations, that necessitate the rate adjustment

Please explain:

WE ARE UNDER AN ARSENIC ADJUSTMENT ORDER  
WHICH NECESSITATES PLANT ADDITIONS TO COMPLY  
COST AS PLANT ADDITIONS APPROXIMATELY \$317,000 ADDITIONAL  
OPERATING COST \$22,000 PER YEAR. ADDITIONALLY UPDATE  
CHARGES TO REFLECT CURRENT COSTS AND RETURN ON INVESTMENT.



Descriptions and/or calculations of adjustments made to amounts that are included in this application that are different than amounts recorded in your books/ledgers (pro forma adjustments)

Please explain:

DIFFERENCE BETWEEN BOOK AND ACC DEPRECIATION



Significant factors influencing your revenues, expenses and/or rate base

Please explain:

N/A



Anticipated growth/decline in customers expected in the next two years, the amount of anticipated construction to serve those customers, and how financed; the type of customers served by the utility, e.g. residential, irrigation, small retail businesses, large commercial, etc.

Please explain:

N/A



Anticipated construction

Please explain:

ARSENIC ADJUSTMENT EQUIPMENT

RES-330 AS OF 7-15-10

COMPANY NAME: CASA GRANDE WATER	Test Year Ended: 6-30-09
Name of System: CASA GRANDE WATER	ADEQ Public Water System Number: W-01990A

## UTILITY PLANT IN SERVICE

Acct No.	Description	Original Cost	Accumulated Depreciation	OCLD
		Column A	Column B	Column C**
301	Organization			
302	Franchises			
303	Land & Land Rights	3000	N/A	3000
304	Structures & Improvements	31001	8121	22880
307	Wells & Springs	63448	25754	29694
311	Pumping Equipment			
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders	2285	721	1564
330	Distribution Reservoirs & Standpipes			
330.1	Storage Tanks	37031	5461	27070
330.2	Pressure Tanks	1500		
331	Transmission & Distrib. Mains	56658	29672	45986
333	Services	2500		
334	Meters & Meter Installations	7993	1179	1314
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant & Misc. Equipment			
340	Office Furniture & Equipment	1525	596	929
340.1	Computers & Software			
341	Transportation Equipment			
343	Tools, Shop & Garage Equip.			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTAL WATER PLANT	* 200941	* 71504	129437

\* Must be the same as the amount reported on page 20

\*\*Column C = Column A - Column B

KEU-330 ASD + 7-15-10

COMPANY NAME: <u>CASA GRANDE WEST WATER</u>	Test Year Ended: <u>6-30-09</u>
Name of System: <u>CASA GRANDE WEST</u>	ADEQ Public Water System Number: <u>W-01990A</u>

## Plant Summary

Acct. No.	Description	Plant in Service Per Prior Decision	Total Additions	Total Retirements	Test Year End Total
		Column A	Column B	Column C	Column D*
301	Organization				
302	Franchises				
303	Land & Land Rights	3000			3000
304	Structures & Improvements		31001		31001
307	Wells & Springs	8000	55448		63448
311	Pumping Equipment				
320	Water Treatment Equipment				
320.1	Water Treatment Plants				
320.2	Solution Chemical Feeders		2285		2285
330	Distribution Reservoirs & Standpipes				
330.1	Storage Tanks	4500	32531		37031
330.2	Pressure Tanks	1500			1500
331	Transmission & Distrib. Mains	21098	35560		56658
333	Services	2500			2500
334	Meters & Meter Installations	1500	493		1993
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant & Misc. Equipment				
340	Office Furniture & Equipment		1525		1525
340.1	Computers & Software				
341	Transportation Equipment				
343	Tools, Shop & Garage Equip.				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
	TOTAL WATER PLANT	42098 *	158943		200941

Note: Please refer to the checklist on page 1 for the required attachments related to this schedule

\* Column D = Column A + Column B - Column C

\* Acquired company in 1979 with assistance of Corporation Commission. NO RATE CASE SINCE ACQUISITION